

Message Text

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ACTION EA-12

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C O N F I D E N T I A L HONG KONG 10221

E.O. 11652: XGDS-1
TAGS: PINT, ECON, VM
SUBJECT: CITY COUNCIL ELECTIONS IN SAIGON AND SOUTHERN ECONOMIC
CONDITIONS

SUMMARY: WESTERN SOURCE PROVIDED THE FOLLOWING INFORMATION
ON RECENT POLITICAL EVENTS IN SAIGON AND CURRENT
ECONOMIC CONDITIONS IN THE SOUTH. FOLLOWING A
PERFUNCTORY "ELECTION" IN SAIGON, ALTER POLITBUREAU
MEMBER VO VAN KIET WAS REPLACED ON THE CITY COUNCIL
BY VU DINH LIEU. DROUGHT CONDITIONS CONTINUED IN THE
SOUTH UNTIL THE END OF JUNE AND FOOD RATIONS IN
SAIGON WERE KEPT ARTICUALLY LOW WITH THE OFFICIAL RICE
RATION FOR THE AVERAGE SAIGONESE SET AT SEVEN KILOS PER
MONTH. ALTHOUGH THE AVERAGE MAN EARNS LESS THAN THREE
SOUTHERN DONG A DAY, FOOD COSTS FOR A FAMILY EXCEED EIGHT
DONG A DAY. (ALL PRICES REPORTED BELOW ARE IN NEW
SOUTHERN DONG.) END SUMMARY.

1. PEOPLE'S COUNCIL OF HCM CITY (SAIGON): THE VOTING FOR
THE HCM CITY PEOPLE'S COUNCIL ON MAY 15 PRODUCED
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THE USUAL SENSATIONAL TURNOUT RESULTS OF A COMMUNIST
ELECTION. FIVE SECTIONS OF THE 3RD DISTRICT REPORTED
100 PERCENT PARTICIPATION AT THE POLLS. THE AVERAGE
TURNOUT FOR THE CITY WAS PROCLAIMED AS 98.64 PERCENT.
ACCORDING TO A WESTERN OBSERVER, THERE WAS NO INTEREST IN
THE ELECTION. PEOPLE VOTED IN ORDER TO AVOID TROUBLE.
A GROUP OF 38 AN QUANY MONKS REPORTED TO THE POLLS AS

WELL AS MONSIGNOR BINH, WHO CALLED UPON ALL CITIZENS TO DO THEIR DUTY. ON JUNE 20, THE PEOPLE'S COUNCIL MET AND REAFFIRMED THEIR PROGRAM TO SOCIALIZER THE ECONOMY, MOVE SURPLUS POPULATION TO THE NEW ECONOMIC AREAS AND EDUCATE THE MINDS OF THE PEOPLE. CENTRAL COMMITTEE MEMBER VU DINH LIEU HAS REPLACED VO VAN KIET AS CHAIRMAN OF THE COUNCIL. HOWEVER, CC MEMBER MAI CHI THO, FIRST VICE CHAIRMAN OF THE COUNCIL AND CHIEF OF SECURITY (ALSO BROTHER OF POLITBUREAU MEMBER LE DUC THO) IS REGARDED AS THE REAL POWER ON THE COUNCIL. FORMER PRG OFFICIAL LE QUANG CHANH REMAINS DIRECTOR OF THE FOREIGN AFFAIRS SERVICE IN SAIGON.

2. DROUGHT IN THE SOUTH. THE DROUGHT CONTINUED THROUGHOUT MAY BUT BY THE END OF JUNE THE RAIN HAD STARTED. IN THE MEKONG DELTA PROVINCE OF TIEN GIANG ONLY 30,000 HECTARES OF RICE WERE PLANTED INSTEAD OF THE USUAL 85,000. IN HAU GIANG 360,000 PEOPLE WERE MOBILIZED TO BUILD 400 KILOMETERS OF CANALS.

3. FOOD LEVELS. IN GENERAL, PEOPLE IN SAIGON ARE UNDERNOURISHED. ALTHOUGH VIETNAM HAS SUFFERED FROM DROUGHT, FOOD LEVELS IN SAIGON ARE KEPT ARTIFICIALLY LOWER THAN NECESSARY IN CONTRAST TO GIA DINH AND OTHER NEARBY PROVINCIAL AREAS WHERE THERE ARE SUFFICIENT SUPPLIES. (COMMENT: THE GOVERNMENT APPEARS TO BE CONFIDENTIAL

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USING THIS DEVICE TO FORCE THE URBAN POPULATION INTO THE COUNTRYSIDE.) MONTHLY RICE ALLOWANCES FOR THE REGULAR SAIGON RESIDENT HAVE BEEN REDUCED FROM 9 TO 7 KILOS BUT ALLOCATION OF 6 KILOS OF SWEET POTATOES HAS BEEN ADDED. (COMMENT: GVN REFUGEES DURING THE WAR WERE SUPPLIED WITH 15 KILOS PER MONTH PLUS OTHER FOODS.) SAIGON CADRE ALLOWANCES HAVE BEEN REDUCED FROM 16 TO 12 KILOS OF RICE AND 2 KILOS OF WHEAT AND 6 KILOS OF SWEET POTATOES HAVE BEEN ADDED. "DIRECT PRODUCTION WORKERS" ALLOWANCES HAVE BEEN REDUCED FROM 19 KILOS TO 15 KILOS WITH 2 KILOS OF SWEET POTATOES ADDED.

4. TYPICAL FAMILY. THE PRESENT DAY ECONOMIC HARDSHIPS IN SAIGON ARE TYPIFIED BY THE CASE OF ONE YOUNG COUPLE WITH A SMALL CHILD. THE HUSBAND EARNS 63 SOUTHERN DONG BASE SALARY PER MONTH BUT WITH OTHER BENEFITS TAKES HOME 100 DONG PER MONTH. HIS WIFE SPENDS 8-10 DONG PER DAY FOR FOOD RESULTING IN AN AVERAGE MONTHLY EXPENDITURE FOR FOOD OF ABOUT 270 DONG. THE DEFICIT IS MADE UP BY SELLING HOUSEHOLD ITEMS SUCH AS FURNITURE, BICYCLE, OR FAMILY JEWELRY, OR BY PURCHASING GOVERNMENT CONTROLLED ITEMS AND SELLING THEM ON THE

FREE MARKET (A ONE BOTTLE OF BEER RATION PER MONTH CAN BE BOUGHT AT 1.4 DONG AND SOLD ON THE OPEN MARKET FOR 4.5 OR 5 DONG.)

5. FOOD PRICES. THE FOLLOWING ARE CURRENT SAIGON FOOD PRICES IN SOUTHERN DONG:

COFFEE - 40 DONG PER KILO (FREE MARKET);
BEEF FILLET - 120 DONG PER KILO (FREE MARKET);
FISH FILLET - 1120 DONG PER KILO (FREE MARKET);
SMALL BREAD - .20 (OFFICIAL 1.2 (FREE MARKET);
SWEET CONDENSED MILK - 1.6 DONG PER CAN (OFFICIALLY RATIONED TO PERSONS OVER 60 AND BABIES UNDER 18 MONTHS AT 1/2 CAN PER MONTH) - 7 DONG (FREE MARKET);
SUGAR - 1 KILO - 2.20 DONG (OFFICIALLY RATIONED
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AT 1/2 KILO PER MONTH) - 12 DONG (FREE MARKET).

6. OTHER FREE MARKET ITEMS.

CARROTS - 4 DONG PER KILO;
LETTUCE - 2 DONG PER KILO;
EGGS - 4 DONG FOR 10;
BANANAS - 2 DONG PER BUNCH;
COOKING OIL - 15 DONG PER LITER;
POWDERED SOAP - 10 DONG PER KILO;
HAIRCUT - 1 DONG

7. GASOLINE. GAS IS OFFICIALLY SOLD AT .50 DONG PER LITER AND IN THE FREEMARKET FOR 4-5 DONG PER LITER. TAXIS ARE OFFICIALLY AUTHORIZED TO BUY 6 LITERS PER DAY. VIETNAMESE TROOPS REPORTEDLY SELL MUCH OF THE GAS IN THE FREE MARKET. PART OF THIS IS OBTAINED BY HAVING ONE MILITARY TRUCK TOW ANOTHER AND SELLING THE GAS THAT IS SAVED.

8. SOCIALIZED DYING. A GREAT DEAL OF PAPER WORK MUST BE DONE IN THE CASE OF A DEATH IN A FAMILY BUT THIS IS OFTEN UNDERTAKEN SINCE A COFFIN MAY THEN BE PURCHASED AT THE OFFICIAL PRICE OF 80 DONG RATHER THAN AT THE FREE MARKET COST OF 500-1000 DONG. ON THE OCCASION OF A FUNERAL THE BEREAVED FAMILY IS PERMITTED TO PURCHASE 10 LITERS OF GASOLINE, THREE LITERS OF FUEL, ONE CARTON OF CIGARETTES AND 3-4 KILOS OF MEAT. THERE ARE REPORTS THAT BECAUSE OF THE SHORTAGE OF WOOD, COFFINS MAY SOON BE RENTED. EVEN NOW, MANY BODIES ARE SIMPLY INTERRED.
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